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MEMORANDUM FOR:

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FROM : Chief, Fiscal Division

SUBJECT : Application of the Federal Employees  
Salary Increase Act of 1958

1. Public Law No. 85-462, 85th Congress, Federal Employee Salary Increase Act of 1958, approved 20 June 1958, established increased annual salaries for all federal employees to be effective the first day of the first pay period which began on or after 12 January 1958. The new salaries are set forth in Salary Table No. 38, Enclosure (A), and in our case they became effective as of 12 January 1958.

2. This memorandum constitutes your authority to commence paying at the new rates, to be effective at the beginning of whatever pay period you may select, and to effect retroactive salary adjustment payments accordingly. The period to be adjusted will be 12 January 1958 through the date immediately preceding that on which your current salary payments at the new rates begin. Salary Table No. 38, Supplement No. 1, Enclosure (B), should be used in computing retroactive adjustment payments due. In cases where an employee was not paid by your office during the entire period to be adjusted, this office is furnishing by separate instruction herewith the necessary information required to pay such cases, if any.

3. An example of computing amount of retroactive pay follows: On page 3 of the Salary Table 38, Supplement No. 1, for a GS-7, first step, the new annual salary is \$4,800 (\$4,225 plus \$575). Such an employee would be due 21 cents more per hour for every hour of regular pay during the overall retroactive period for adjustment and 32 cents more for every hour of overtime worked; any holiday pay would be adjusted on the basis of 21 cents per hour and to adjust night differential, multiply the total number of hours by the hourly rate and move the decimal back one place to obtain 10% of it. Where two or more salary rates during the adjusting period are involved, computation at the respective rates for such periods where the different rates prevail are necessary. To adjust foreign post differential obtain the total difference due for one pay period and multiply the result by the number of pay periods concerned, adjusting any parts of pay periods as may be indicated. When the gross amount due has been determined: (1) take a flat 10% of it, regardless of number of dependents, to arrive at the amount of tax to deduct; (2) take 6 1/2% of the base pay only to get the amount of retirement to deduct; (3) deduct Insurance Required as indicated in paragraph below, and (4) pay net amount.

4. This Act also increases the insurance coverage by multiples of \$1,000 for those individuals whose new pay scales rates of pay enter a new multiple of \$1,000. This beneficial feature of the Act was effective 20 June 1958, the date of enactment. The deductions for premium payments also increase per biweekly pay period by the amount of 25 cents for each such multiple increase of \$1,000 in coverage. These deductions of increases of 25 cents per \$1,000 will cover the entire biweekly pay period, beginning 15 June 1958.

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Enclosures : (A) U.S. General Accounting Office Salary Table No. 39  
(B) U.S. General Accounting Office Salary Table No. 38,  
Supplement No. 1